

MEDIC NEWS

Vol. I

Minority, Economic, Development, Industrial and Cultural Enterprises, Inc.,

Issue 2



The scene was the Grand Opening of Bob's House of R.O.N.B.C. (Reconditioning, Old, New & Beat-Up Cars), an auto body shop located at 16-18 Jones Street (corner of South Orange Avenue), Newark.

It was a festive affair, not typical of most grand openings where political speeches and ribbon-cutting ceremonies dominate. In fact, the occasion somewhat resembled the ole time church supper where families, dressed in their "Sunday Best" turned out to gossip with their neighbors and reflect on the work week that they had just completed.

Brenda Jo Harris' Trio supplied a continuous syncopated beat so reminiscent of church gospel that those who had not attended church that morning were made to feel somewhat restored.

Lorenzo Simmons of Father and Son's Seafood Restaurant, 238 Nye Avenue, Newark ("Another MEDIC assisted Minority Enterprise"), catered the opening. His waitresses, neatly clad in black and white uniforms, served the festive repast which consisted of fresh fruits in a watermelon basket, fresh sliced pineapple, potato salad, macaroni salad, cole slaw, fried chicken, ham, roast beef and hot rolls.



Time was also taken from these festivities for James "Bob" Washington to give his personal thanks to some of the people who had played significant roles in the opening of his auto body shop: W. H. Edwin Smith, senior financial analyst, MEDIC Enterprises, Inc., who assisted Mr. Washington in writing the proposal, filing the necessary financial statements with the bank and SBA, and handling promotion for the Grand Opening; George W. Wainwright, Jr., vice-president, Fidelity Union Trust Company, who issued the \$32,000 loan; Irving Warnasch, chief of Financing Division, Small Business Administration, who was responsible for guarantying this loan; Daniel Ryner, a black general contractor, who made the necessary renovations and repairs on the shop; James Lindsey, financial analyst, MEDIC Enterprises, Inc., who assisted Wa-

shington in setting up an accounting system; the staff of MEDIC Press who designed and printed the promotional materials for the Grand Opening, and of course, Washington's mother, Mrs. Beatrice Daniels who encouraged her son to "study, work hard and stick-to-it [his dream]".

It was twenty-one years ago that James "Bob" Washington was born in Unadilla, Georgia into a family of five—4 boys and 1 girl. After completing high school he entered St. Louis University, but was unable to continue his studies because of financial difficulties. These problems, however, only deterred Washington temporarily. After a brief period, he entered St. Louis Training Institute, Inc., where he completed courses in computer programming, key punch and data processing. Moving to Newark in 1967, Washington embarked upon the vocation of his dreams—body and fender repair work. After three years of apprenticeship training with various auto body shops, Washington felt that he was ready to go into business for himself.

First, Washington went to the minority business office of the Small Business Administration, but was somewhat discouraged after his visit there. He then went to the Community Information and Referral Service which in turn referred him to MEDIC.

The length of time from Washington's initial visit to MEDIC to approval of his loan was approximately five (5) months.

Since its April 18th Grand Opening, Bob's House of R.O.N.B.C. has been doing "quite well." With assistance from his brother Fred, and two other full-time auto body mechanics, as well as a number of part-time employees, Washington is offering the following services: complete auto body repairs and painting; air conditioner servicing, and 24 hour towing, instant starting and road service. "We're about at the three quarter mark now," said Washington, "but I'm anticipating a very good flow of business, and expect that we will surpass our anticipated sales volume within a month."

"Bhahati Bhazuri [Good Luck] Bob", from the staff of MEDIC Enterprises, Inc.

From Medic...

Last month, we introduced the first issue of what is to become the monthly publication of MEDIC Enterprises, Inc.—MEDIC NEWS. Response to our first issue has been quite favorable, and we are extremely grateful to our readers who took the time to offer suggestions and criticisms on the newsletter.

In our first issue, we used a great deal of space in describing MEDIC Enterprises, Inc.—our beginnings, our goals, our methods, and some of our accomplishments. For subsequent issues, we plan to devote more space to our community—the fiscal, physical, environmental, social, cultural and industrial problems of the Newark community.

Our guest columnist for this month is Harry L. Wheeler, director-secretary, Greater Newark CAMPS Committee, who gives a synopsis of the recently held Workshop-Conference on Manpower. Miss Sally G. Carroll, president, Newark Branch N.A.A.C.P. and vice chairman, MEDIC Enterprises Board of Directors, is the featured board member for this month. In the area of economic development, we highlight the grand openings of two "MEDIC Assisted Minority Enterprises"—Bob's House of R.O.N.B.C. and Princess Supermarket. For our readers who may be looking to start their own businesses, we offer the first segment of a two-part article on financing a new business (Personal Investment by Principles and the Sale of Capital Stock) written by Thomas J. Greene, vice president/director of operations, MEDIC Enterprises, Inc.

We hope that you will find this month's issue of MEDIC NEWS a rewarding and enriching reading experience, and invite you to address any comments and/or suggestions to the Editor.

Organizations wishing to list their activities for the month of July are asked to submit their notices by June 21 to: Carolyn Odom, Editor, MEDIC NEWS, MEDIC Enterprises, Inc., 287 Washington Street, Newark, N. J. 07102.

Newark's Manpower and Economic Needs Highlighted



****Harry L. Wheeler is director-secretary of the Greater Newark CAMPS Committee, Office of the Mayor, City of Newark.**

Over 400 delegate-participants representing a cross section of community, agency, and governmental interest attended the First Annual Two-day Workshop Conference on Manpower, Friday, April 23rd and Saturday, April 24th, 1971, at the Ebony Manor, 100 Clinton Avenue, Newark, New Jersey.

The Honorable Kenneth A. Gibson, Mayor of the City of Newark, served as Chairman of the conference. Conference Co-Chairman was Harry L. Wheeler, Director-Secretary of the Greater Newark CAMPS Committee.

The conference was sponsored by: The Mayor's Office of the City of Newark (TEAM, Inc.) and the Greater Newark CAMPS (Cooperative Area Manpower Planning System) Committee. Its theme: "Newark's Manpower Needs: New Directions for the 70's."

Mayor Gibson, who is also chairman of the Greater Newark CAMPS Committee, officially opened the conference. In an emotionally-charged address to the delegate-participants assembled for the first plenary session, he pointed out that the "two day workshop-conference represented an all out effort to focus national attention on Newark's pressing manpower and economic needs. He further urged the immediate, "development of a new creative Federalism that would be truly responsive to the community and designed to provide a catalytic stimulant for reshaping the 'quality of life' of Newark's 400,000 citizens."

The conference attracted outstanding personages in the fields of: business, labor, government and research.

Cyril Tyson of Harvard University delivered a stirring address in which he called for "The Development of a Comprehensive Manpower System."

Fredrick E. Rathgeber, Executive Vice President of Prudential Insurance Company outlined the historical/contribution of Prudential to the "demand side" of the equation for manpower programs.

The Honorable Dr. Wynona Lipman, Director of the Essex County Board of Chosen Freeholders, addressing the delegate-participants at the conference dinner, deplored the lack of concern and sensitivity — on the part of high governmental leaders — to the rising unemployment and underemployment problems for disadvantaged poor in our ghetto areas.

Speaking at the morning plenary session, on the second day of the workshop-conference, Congressman Peter W. Rodino and Joseph G. Minish endorsed the concept of "revenue sharing" as enunciated by the Nixon Administration.

Senator Harrison A. Williams, Jr., chairman of the Labor and Public Welfare Committee of the United States Senate was the principal luncheon speaker at the workshop conference, Saturday, April 24, 1971. Senator Williams expressed high hopes that the "Emergency Employment Act of 1971 would become law and thereby provide jobs in the public sector for the unemployed (disadvantaged poor and white collar technicians).

The two-day workshop conference provided an unusual opportunity for delegate-participants to explore major areas of concern through eight workshops, namely:

"Manpower in Newark: Chaos or Clarity?"

"Manpower and Economic Development in Newark"

"Role of the Union in the Manpower Complex"

"CAMPS: Is it the Solution to Sound Planning of Manpower Programs?"

"Employment Opportunities in the Public and Private Sector"

"Manpower Legislation"

"Youth"

"Health Manpower"

Finally, it was Mayor Gibson who touched the central nerve center of the reasons for the conference, when he said, "the conference will afford an opportunity for a searching look at where we are and where we must go in providing training, education and job opportunities for the citizens of Newark."

Business Tip:

If at the end of the filing quarter an entrepreneur does not have the balance of his withholding and said security taxes which are to be sent to the Internal Revenue Service, he should file his quarterly form 941 on time, anyway. The biggest penalty is levied for not filing this form on time, not for underpaying the taxes due. Moreover, during the quarter the entrepreneur should make weekly or monthly deposits in an authorized depository (also on time) even if it is not for the total amount of money.

New BLACK-OWNED Supermarket in Montclair

"We are located in an integrated community, we have an integrated staff, and we hope to take a place in our community as an integrated employer and purveyor of quality foods."

George St. Clair, Sr., used these words in describing his new business, Princess Supermarket.

Princess Supermarket is located at 119 Grove Street (near Walnut Street) in Montclair, New Jersey. The store was named after Mr. St. Clair's two year old granddaughter.

Princess Supermarket is believed to be the largest, black-owned enterprise in Montclair. St. Clair is proud of this fact. In a story in the Newark News (3/27) St. Clair is reported to have said, "...[we] will cater to tastes of Blacks with soul food and to Italian-Americans in the neighborhood with their ethnic delicacies." While he does not deny making the statement, St. Clair does caution against taking it to an extreme. He did not intend to imply that Princess Supermarket would cater *only* to blacks and Italians. He takes great pain to emphasize that his store will not be oriented in any one direction. He feels that it is good business to carry specialty items if a significant portion of your customers use those items. But as George St. Clair, Jr., stated, "this is a store for all the people." The St. Clairs want their market to be regarded as a neighborhood store run by a community family which caters to the needs of all its customers.

Following a family tradition, St. Clair, Sr., has been in business for himself during much of his life. He ran a small neighborhood grocery store in Montclair for 15 years before he decided to venture into his current operation.

Early in 1969, St. Clair brought his desire to expand his business and his 25 years of experience to MEDIC Enterprises, Inc., seeking capital and assistance. Making Princess Supermarket a reality did not come easily.

After considering a number of possibilities, MEDIC finally succeeded in securing a site for Princess Supermarket. MEDIC then wrote the proposal for Princess Supermarket, Inc., and submitted a financial program to American National Bank and Trust Company of Montclair. During the negotiation period, MEDIC acted as liaison between the bank, the Small Business Administration and St. Clair. The full loan was awarded by American National Bank and Trust Company, with a 90% guarantee by S.B.A.

This money enabled St. Clair to obtain a lease and begin renovations of the Grove Street site. This property had been idle for many months since the previous tenant (Pathmark) had moved out. After the renovations were completed, St. Clair was able to hire a staff of 10 full-time employees and 6 part-time workers. Now came the process of stocking-out the store. Once this task was completed, St. Clair felt that he was ready to open. MEDIC felt that more time was necessary for advertising and promoting this new venture but St. Clair was eager to get started. So after 18 months of planning and hard work, Princess Supermarket opened on March 26, 1971.



Princess Supermarket is open on Monday, Tuesday and Wednesday, 9 a.m. - 7 p.m., Thursday and Friday, 9 a.m. - 9 p.m., and Saturday, 8 a.m. - 7 p.m. There are ample parking facilities due to a free municipal lot located in the rear of the store. The store is well-lit, neat and very clean. In fact, it is one of the cleanest supermarkets in the area.

The store is well-stocked with a generous variety of national brand name items. Two particularly outstanding aspects of the St. Clair operation are (1) the meat department and (2) the store-wide pricing.

The meat department, headed by Lee Louis, should be commended for its efforts to insure that the meats are of the highest quality. As one store employee, Emily Gaither put it, "he has a very good selection of everything, especially meats. His meats are 'outta sight'."



The competitiveness of the prices is somewhat surprising. Given the fact that Princess Supermarket is only one store, one would expect to find prices higher than those found in the major chain markets. These higher prices would be necessitated by St. Clair's inability to buy in large volume. However, a random sampling of the prices indicated that they are, in most cases, equal to those of the major chain stores and in some instances, they are lower than the prices in the big stores.

After some six weeks in business, St. Clair is not discouraged. When asked about his weekly sales volume figures being below what he needs to realize a modest profit, he replied, "we're disappointed, but we're not giving up. As long as we keep trying we'll make it." His son, George St. Clair, Jr., perhaps summed up their feelings best when he said, "there's enough business around here for everybody. We don't want to hurt anybody. We just want to get our rightful share." Who can argue with that?

George St. Clair, Sr., (President of Princess Supermarket, Inc.) resides at 303 Orange Road, Montclair, with his wife Willymae. George St. Clair, Jr., (Secretary-Treasurer of Princess Supermarket, Inc.) is a Navy Veteran who lives in New York City, with his wife, Rosamarie, son Rene Villa and daughter, Princess (for whom the store was named).

Sally G. Carroll



Sojourner Truth, a lecturer, preacher, teacher and fighter for freedom of black people and rights for women, is described by black historian Lerone Bennett as "a black woman [who] burned for love of the whole world."

So fitting then was the presentation of the National Association of Negro Business and Professional Women, Inc. "Sojourner Truth Meritorious Service Award" to Miss Sally G. Carroll: "For her meritorious community service, her deep concern for and participation in all activities advancing the status of women [and we choose to add all black people]."

Sally G. Carroll was born in Roanoke, Va., but moved to Newark at a very early age. She received her formal education at Central Avenue Grammar School, South Side High School and what was formerly Essex Junior College. She began her work experiences in 1949 as one of the first women appointed to the Newark Police Department. In 1951, she transferred to Essex County Sheriff's Office as a court attendant, where she has since remained.

The list of community organizations and activities in which Miss Carroll has been engaged is endless. For fourteen years, she was an active member of the Newark Branch of the N.A.A.C.P., holding such offices as assistant secretary, secretary and treasurer. In 1966, Miss Carroll was elected to serve as President, and is currently in her third term of office.

Miss Carroll is chairman of the Urban Program Committee of the N. J. State Conference of N.A.A.C.P. Branches; vice chairman, MEDIC Enterprises, Inc.; charter trustee of the Greater Newark Urban Coalition and the Milt Campbell Youth Center; formerly co-chairman of the Finance Committee of BICC; chairman, Neighborhood Council of Newark Model Cities Programs; charter member and former treasurer, The Batons, Inc.; life member and former financial

secretary of North Jersey Unit, National Association of Negro Business and Professional Women, Inc.; and trustee, Newark Museum.

In addition to receiving The Sojourner Truth Meritorious Service Award, Miss Carroll was also named "Woman of the Year" by the Oranges-Maplewood Chapter of Frontiers International.

Although she has been recognized for her leadership for women's rights, Miss Carroll is not involved in the Women's Liberation Movement. "I think that we [black women, as well as black men] have other priorities such as getting ourselves together to provide what is needed in our communities," said Miss Carroll. She sees her involvement with MEDIC as a beginning. "For years the black man has been excluded from the world of finance," she says, "but if we are to make any significant progress as a people we've got to start building a financial base in our communities." And that is where MEDIC Enterprises, Inc., comes in. . . .

METHODS OF FINANCING A BUSINESS VENTURE: PART I

By Thomas J. Greene

Perhaps an equally important consideration to that of determining the amount of capital needed to start a business is the selection of the source of such capital. Not everyone would agree with this statement, particularly the neophyte or would-be-businessman, for he is often more concerned with the availability of money than he is with the source of money. However, during the life span of any business operation the choice or selection of the source of financing will be just as important in the beginning as it will be the many times the business will need to be refinanced.

For each of these times of refinancing there will be basically the same determining factor, i.e., what is the cost of financing. Simply put, the entrepreneur must ask himself what will it cost him to use this particular method of financing. Not only in terms of interest payments, but in terms of time, in terms of equity, and in terms of added expense.

The nature of this two-part article then, concerns itself with the various methods of financing for a new or expanding business or

business venture, as well as some of the advantages and disadvantages of each.

METHODS:

There are traditionally four major methods of acquiring capital for a new operation: (1) the personal savings and investments of the principle(s) (2) the sale of capital stock, (3) credit arrangements with various suppliers, and (4) commercial loans (normally by banks). There are a host of other non-traditional sources of capital, e.g., borrowing from relatives and friends; investments and/or loans by venture capitalists; direct loans or loan guarantees by the Small Business Administration; investments or loans from a Small Business Investment Company; a Minority Enterprise Small Business Investment company loan; an Economic Development Agency loan, or loans from other government agencies, either on a direct loan or loan guarantee basis, e.g., the Department of Agriculture, the Veterans Administration, etc.

I. PERSONAL INVESTMENT BY PRINCIPLES

In the majority of new business operations, the founders or principles invest their own savings which is the primary and sole source of their total initial financing. The advantage here, of course, is that the amount of actual money available is already known and readily accessible. If the savings or personal assets of the principles are adequate, then alternate or supplemental sources of financing are not necessary. One other advantage of personal financing is the lack of a fixed debt obligation being saddled on the business.

The disadvantages usually stem from the individual's lack of enough personal savings to cover the initial capital requirements or not being able to provide an adequate reserve for unforeseen liabilities or expenses. Another disadvantage is one of a personal nature. The small businessman in using his personal savings to begin his business may or may not adequately cover his business capital requirements. More often than not this leaves his family inadequately covered for personal emergencies.

The advantages and disadvantages notwithstanding, the personal investment by the principles, regardless of what legal form the venture takes, is a necessity because it adds a dimension of personal responsibility.

All other things being equal, e.g., adequate pre-business preparation, personal financing (if

adequate in both initial requirements and reserves) is the best method of starting a business. Known resources, minimized debt burden, total operating control, i.e. no interference in the decision making process by financiers or stockholders, and dictation or control by principles of the time for starting their operation are but a few of the reasons why personal financing is felt to be the best method of starting a business.

II. THE SALE OF CAPITAL STOCK

The sale of capital stock can be a way of raising large amounts of money over a relatively short period of time. If successful in raising adequate funding and reserves, it can, similar to private investment, be debt free (this, of course, also depends on the class of stock).

The advantages are that you can raise debt free sums of money (investment monies) over a short period of time. This amount is only limited by what investors are willing to pay per share and the number of shares authorized to be issued. This, however, is only a temporary limitation because most states have a minimum of 20,000 authorized shares to be issued and subsequent authorizations or requests to issue are mere formalities.

The disadvantages of this method are primarily these: (1) while this method has the propensity for raising large sums of money, it can also be painstakingly slow; (2) in order to begin to sell shares, there has to be a legalized entity and therefore the expense of organization and incorporation; (3) management policies are no longer solely in the hands of the original principles because they are trading off portions of their ownership if not their controlling interests; (4) the expense of reporting—shareholder reports shareholders meetings and notices—must be carried by the business, and (5) corporate taxes and tax reports must also be contented with once incorporated.

This method of capitalization is one that should be used as a third step in a growth pattern, and not as a first step. The exception to this rule, however, is the size of the proposed business and the availability of known or pledged sources of participation (preferably large amounts of money).

However, the first step should normally be personal financing, if adequate, and the second debt financing, e.g., commercial loans.

Major Sources of Capital for Small Businesses (a sample of 1,000 operations)*

Initial Investment Table	Per- sonal Savings	Cap- ital Stock	Sup. Credit	Bank Loans	Other
0 to 9,999	70%	1%	7%	10%	12%
10,000 to 19,999	75%	2%	9%	11%	13%
20,000 to 49,000	57%	8%	9%	16%	10%
50,000 plus	42%	11%	14%	17%	16%

*From a survey conducted by the Department of Commerce of some one thousand new firms. This survey excluded "buy-outs" and one man operations.

CALENDAR OF COMMUNITY ACTIVITIES

On Wednesday, June 17, at 8 p.m. the United Community Corporation, Newark's anti-poverty agency, will hold its annual meeting. The meeting is tentatively scheduled for Clinton Place Junior High School, 37 Clinton Place, Newark. Agenda for the meeting will include the annual program report and the election of four members to the agency's Board of Trustees. For additional information on registration and eligibility requirements, contact:

Mrs. Edwards, UCC, 484-8820.

The Committee for Unified NewArk presents "Soul Session" every Sunday evening at 6:30 p.m. The sessions are held at 502 High Street, Newark. See Imam Amiri Baraka, the Spirit House Movers and others in honest, realistic, soulful expressions of the black experience. All are invited to attend.

On Tuesday, July 6 at 6 p.m. the Business and Industrial Coordinating Council will hold its regular general meeting at Vail Hall, New Jersey Bell Telephone Company, 540 Broad Street, Newark. All interested persons are invited to attend.

BLACK CAUCUS DINNER

The Congressional Black Caucus, composed of 13 Black Congressmen now serving in the U. S. House of Representatives, is in need of help. This Caucus which will present a united legislative front to address issues of vital concern to 25 million black people, represents the most significant thrust in representation for minorities since the Reconstruction Era (1865 - 1877).

A nationally sponsored Congressional Black Caucus fund-raising dinner will be held in Washington, D. C. on Friday, June 18 at 7:30 p.m. at the Washington Sheraton Park Hotel. Tickets are \$100 per person or \$1,000 per table (table of ten). Entertainment will be furnished by Bill Cosby, Nancy Wilson, Dick Gregory, Billy Eckstine and Sammy Davis, Jr. Co-chairmen for the dinner are comedian Bill Cosby, Averill Harriman, former governor, State of New York and Henry G. Parks, president Parks Sausages, Inc.

Funds derived from this dinner will be used to establish a permanent staff of knowledgeable research personnel who will conduct in-depth analyses of issues and policies pertinent to Black America. In addition, contributions will serve to create a financial base from which the Caucus will be able to operate independently - without financial ties to any group which would compromise the interests of black people.

All persons interested in participating in the dinner or supporting it through contributions should contact the Congressional Black Caucus Dinner Committee, 1025 Connecticut Avenue, N.W. Suite 612, Washington, D. C. 20036, (202) 659-4540.

Officers & Executive Committee

President

Elvin R. Austin

Chairman

William A. Mercer

Vice-Chairman

Miss Sally G. Carrell

C. Theodore Pinckney

Darry Williams

Treasurer

Wilbur Parker, C.P.A.

Secretary

Mrs. Ruth McClain

At-Large-Members

Emory Brown

John Bugg

James E. Churchman, Jr.

LeRoi Jones

Earl Phillips

Directors

David Barrett

Horace Brown

Kenyon C. Burke

Eugene Campbell

Thomas Carmichael

Mrs. Louise Epperson

Fred Means

Alvin D. Moore, Jr.

John Pinderhughes, M.D.

Robert J. Robinson, M.D.

Mrs. Lucille Russell

Haley Simmons

Elsey R. Washington, M.D.

Joseph H. Watson, C.P.A.

Editor

Carolyn Odum

MEDIC ENTERPRISES, Inc.
287 Washington Street
Newark, New Jersey 07102

Mrs. Ruth McClain
Community Relations Specialist
Greater Newark Urban Coalition
Suite 605
24 Commerce Street
Newark, N. J. 07102

Nonprofit
Organization
U. S. POSTAGE
PAID
Newark, N. J.
Permit No. 5361